

IMPACT CAPITAL PRODUCT SUMMARY

Product	Eligible uses	Loan Size	Terms and conditions	Additional Requirements
Seattle Opportunity Fund	Costs associated with planning a housing project.	Up to \$10,000	<ul style="list-style-type: none"> • Same as Phase 1 predevelopment except there is no loan fee 	Only available for project in the city of Seattle. Funds are for work that would precede Phase 1 predevelopment application
Phase 1 Pre-Development Loan	Cost associated with preparing site-specific applications to public and private funders, such as site control costs, engineering and environmental studies, soils testing, design work, legal fees	Up to \$75,000 (avg + \$40,000)	<ul style="list-style-type: none"> • 0% interest; • 3% loan fee; • Average loan length of 18 months; • Non-recourse to borrower; • May be converted to a grant if project does not go forward 	Eligible project include emergency housing; transitional housing; rental, cooperative, or homeownerhsip housing; mixed-use projects; or other real estate-based development projects which demonstrate benefit to low-income neighborhood or households.
Phase II Pre-Development Loan	Site control extension payments, property holding costs, A&E to be permit-ready, consulting, legal, application and financing fees including interest reserve, permit fees. Including eligible costs for LIHTC carryover requirement. Site prep and some staff costs eligible on a case-by-case basis	Up to \$150,000 (avg + \$75,000)	<ul style="list-style-type: none"> • 7.0% interest; • Up to 12 mo (renewal); • Interest only until construction closing • 1% fee closing; • Secured by subordinated lien on property and/or lien on other unencumbered assets; • recourse to borrowers 	Loan approval subject to evidence that at least one significant source of permanent project funding is committed.

Note 1: Nonprofit organizations, Housing Authorities, and Tribes are eligible borrowers for all products. For-profit entities are only eligible for Section 8 Preservation subordinated Loan Product

Note 2: Terms and conditions subject to change.

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Subdebt Acquisition Bridge Loan	<p>Acquisition of residential, commercial, or mixed use properties that will serve low-and moderate-income populations, including:</p> <ul style="list-style-type: none"> • expiring-use HUD Section 8, USDA-RD, and LIHTC properties • raw land • unoccupied, spec property already under construction <p>Intended to fill the gap between primary lender loan amount (i.e. 60-70-% LTV) and purchase price</p>	\$250,00 - \$1.5 million	<ul style="list-style-type: none"> • 7.0% interest' • Up to 3 years (avg 24 mo.); • Interest only until construction closing; • 1% fee at closing; • Secured by property and other unencumbered assets as re 	<p>Underwritten on the experiences, track record, and capacity of non-profit borrower and the competitiveness of project to secure development.</p> <p>Development concept and plan required including early due-diligence on-market and development and operating costs.</p> <p>Loan approval, closing, and disbursement to take 120 days or less.</p>
Line of Credit Revolving Credit	<ul style="list-style-type: none"> • Predevelopment • construction • Working capital • Acquisition 	\$100,000 \$3 Million	<ul style="list-style-type: none"> • 5-6% Interest • 3 Year Term; • 1% Fee at closing; • Usually secured by property lines of credit, may be partially unsecured • Recourse to borrower 	Line of Credit and Revolving Credits are suited for established organizations with a track record and a pipeline of projects.
Construction Co-Leading	Construction	\$100,000 \$1 Million	<ul style="list-style-type: none"> • 5-6% Interest; • Average Term 6-12 months; • 1% Fee at closing; 	Bank or other lender willing to provide 1 st Lien position loan and willing to manage construction loan and disbursements.

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			<ul style="list-style-type: none"> Secured by subordinate lien; Recourse to borrower 	
Guarantees	<ul style="list-style-type: none"> Acquisition Construction 	\$100,000 \$1 Million	<ul style="list-style-type: none"> 1% Annual Fee 1-5 Year Term Recourse to borrower 	Bank or other lender willing to provide loan with a shared dollar for dollar risk up to the amount of guarantee.
Commercial TI Loan	TI build-out for commercial properties or commercial portions of mixed-use buildings Assumes build-out from "vanilla box" including painting, carpeting, partitions, standard lighting fixtures. Does not include fixtures or utility build-out for medical offices or restaurants.	Up to \$250,000 (avg + \$100,000)	<ul style="list-style-type: none"> 7% interest 15 year amort; term tied to average initial lease length; 1% fee at closing; Secured by property (subordinated lien) and assignment of commercial rents 	Pre approval available to expedite deals but will be subject to lease terms and strength of commercial tenants.
Section 8 Rent Reserve Guarantee	Guarantee to cover the difference between base rents less Section 8 subsidy and projected rents based on tenants income at 50% of median.	Up to \$200,000 (avg - \$12,000)	<ul style="list-style-type: none"> 2-year guarantee 1% annual fee on outstanding guarantee (difference between rent reserve requirement and actual reserves built up by borrowers) 	Borrowers required to fund rent reserve to cover two years of projected rent gap if HUD Section 8 program sunsets.
Section 8 Preservation Subordinated	Rehab and transaction costs not covered in HUD restructured debt (typically up to 17% of total	\$25,000-250,000 (avg - \$75,000)	<ul style="list-style-type: none"> 5% interest or lower; 5-year renewable term; amortization negotiable 	Rehab is limited to items identified in the PAE/HUD property condition analysis and approved by the PAE

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Loan	<p>eligible rehab costs and 50% of eligible transaction</p> <p>Eligible borrowers include:</p> <ul style="list-style-type: none"> • Owners of project undergoing debt restructuring under the HUD Mark to Market program • Both for-profit and non-profit owners • Non-profit that are negotiating the transfer/acquisition of a project participating in the Mark to Market program 		<ul style="list-style-type: none"> • Secured by subordinated lien on property and owner's pledge of its interest in future preferred cash flow, subject to approval of senior lenders and HUD (may be 3rd or 4th lien subject to HUD approval) • Callable on sale of property 	<p>and HUD. (Typically will not include upgrades to amenities that would be found in non-subsidized market-rate developments.)</p> <p>Closing will not occur until HUD has approved debt restructuring and transfer of physical assets and that transfer that been recorded.</p>

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